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**INNOVATIVE ARTIST DEVELOPMENT COMPANY  
MUSIC NATION CLOSES SERIES A FINANCING**

*\$5.5 Million Capital Funding From Venture Capital Leaders Greylock Partners,  
Point Judith Capital*

(NEW YORK) – January 15, 2007– Music Nation ([www.musicnation.com](http://www.musicnation.com)), the innovative artist development company launching an online video music competition, announces the completion of its Series A round of funding. The \$5.5 million round was led by premier venture capital firm Greylock Partners and also included an investment from Point Judith Capital.

The investment will allow the startup company to build out its artist development component beyond its online music video competition. Launching January 29, the contest gives three artists across the rock, pop & urban genres the chance to win a recording contract with Epic Records. To this end, Music Nation recently launched Original Signal Recordings, which is a joint venture record label with Epic Records. Original Signal will find and develop unsigned acts beyond the competition, designed with a focus on equity for artists and the utilization of new media – among other channels – to generate revenue and exposure.

“We are excited to work with the experienced teams from Greylock and Point Judith.” said Daniel Klaus, Music Nation CEO. “Each have impressive records and extensive reach as investors, which will help Music Nation further establish its brand and become a leading company in the digital music revolution.”

Greylock Partners and Point Judith Capital are among the leaders in the venture capital arena. Having helped launch some of the most successful tech ventures over the last few years, their support is a tremendous coup for the start up entertainment venture Music Nation. Greylock, in particular, currently works with some of the most highly regarded Web 2.0 companies including Facebook, Digg and LinkedIn. Music Nation’s experienced executive team makes the company an attractive investment for the three

firms, who all focus on early stage companies with seasoned entrepreneurs who have built companies from the ground up.

Started in April 2006, Music Nation's team of founders are some of the leading entrepreneurs in the music and digital arenas making the company an attractive investment for the venture capital community. Music Nation's executive team includes:

- Daniel Klaus (CEO): Klaus founded the indie Canadian record company and music publisher Passion Music Group at age 18 before selling their catalog to BMG Music in 1998. An expert on digital content strategy, artist development, rights issues, and music publishing, Klaus has also consulted with music companies like Yahoo! Music, Bertelsmann, MusicMatch, Comverse Technologies, Goldman Sachs, and Sony Pictures Mobile as president of the Fabric Group, a media strategy firm.
- Lucas Mann (CMO): As President of the award-winning new media company Clique, Inc./Sparkart LLC, Mann focused on the relationship between product, design, and user experience, finding and developing additional revenue streams for entertainment brands through websites, fanclubs, merchandise, and new technologies. Clients included artists and labels like The Killers, Eminem, 50 Cent, Linkin Park, UMG, EMI and WMG. During his career, Mann has also managed Platinum Recording artists Dishwalla.
- Kevin P. Ryan (Chairman): Former President and later CEO of DoubleClick, Ryan is one of the most well known Internet entrepreneurs. Under his leadership, DoubleClick grew from a startup of 20 people to a global leader of over 1,500 employees, culminating in the company's sale for \$1.1 billion to Hellman and Friedman. Ryan is also currently CEO of ShopWiki, the shopping search engine, and a board member of Panther Express, the content delivery network – both of which he co-founded.
- Peter Read (Managing Director, UK & Europe): Prior to Music Nation, Read served as President of VNU/Nielsen Entertainment Group, which is comprised of NRG (National Research Group), BDS (Broadcast Data Systems), EMS (Entertainment Marketing Solutions), and SoundScan. Read also currently owns and runs Entertainment Insights Limited, a data-driven advisory business. Clients include MTV Europe, SonyBMG, EMI, and V2 Records, among others.

"We feel that Music Nation's business model is sound and that their executive team has the industry know-how to position the company in the changing climate of both the technology and entertainment sectors," said Bill Helman, Partner, Greylock Partners. "We are excited to add the company to our portfolio, working with them and providing the necessary financial backing to allow the company to flourish."

"Music Nation is a unique investment as the company's team understands the key digital drivers that are affecting the entertainment industry and have designed the company with this in mind. Their forward-looking approach to both artist development and digital entertainment exemplifies the type of ventures that are compelling in today's media environment. We are pleased to be involved in the company," said Sean Marsh, General Partner, Point Judith Capital. "We look forward to not only work with the

company's executive team but also our investment partner, Greylock in helping Music Nation fulfill its long term growth potential.”

To speak with executives from Music Nation, Greylock Partners or Point Judith Capital regarding this round of venture capital fund raising, please contact Neil Steinberg at [nsteinberg@5wpr.com](mailto:nsteinberg@5wpr.com) or 212.584.4306.

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#### **ABOUT MUSIC NATION, INC.**

Music Nation is an artist development company launching multi-genre, online video-based music competitions both domestically and abroad, bringing together emerging talent from across multiple genres. In providing an online outlet designed to discover new and established musicians, Music Nation empowers both artists and the online music community by harnessing advanced technologies like IPTV – uniquely positioning the company in today's digitally driven entertainment climate. Founded in 2006, the company is the brainchild of Daniel Klaus, Lucas Mann, Kevin P. Ryan, and Peter Read; visionary figures whose expertise crosses the Internet media, e-commerce, artist management/development and the recording industry divides.

#### **ABOUT GREYLOCK PARTNERS**

Greylock's strategy is to partner with management in building companies that have the potential to become industry leaders. They prefer to build around an outstanding entrepreneurial leader or team with a powerful technology and market vision. Greylock tends to focus on capital-efficient businesses where high barriers to entry can be constructed, and works closely with the start-up team to build the organization. Greylock currently has committed capital in excess of \$2 billion. [www.greylock.com](http://www.greylock.com)

#### **ABOUT POINT JUDITH CAPITAL**

Point Judith Capital is a leading early-stage venture capital firm partnering with outstanding entrepreneurs building communications, Internet, healthcare and technology companies. Point Judith Capital has a strategic partnership with Tudor Investment Corporation, a premier alternative asset management firm with \$15 billion under management. For more information visit [www.pointjudithcapital.com](http://www.pointjudithcapital.com)